
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 11.12.2010

Bloomberg: "Obama to Name North Carolina Regulator Smith as Fannie, Freddie Overseer ... President Barack Obama will nominate North Carolina Banking Commissioner Joseph A. Smith Jr. to be chief regulator for Fannie Mae and Freddie Mac as the administration prepares to overhaul the mortgage firms, according to White House officials briefed on the matter."

Wall Street Journal: "Loan-Rule Spat: Define 'Safe' ... Some of the firms that helped spark the mortgage crisis are now trying to help decide what a safe loan is. Federal regulators are expected to issue by December proposed rules spelling out which loans will be excluded from a new requirement that issuers hold onto 5% of the risk of mortgages packaged into securities. The requirement is part of the Dodd-Frank financial-overhaul law passed in July."

Wall Street Journal: "Swaps Rules Would Hit Few Players ... Only a few companies are likely to face new requirements that aim to tame risk-taking in derivatives, a top federal regulator said Thursday, in what would be a win for hedge funds and life insurers trying to escape tougher oversight. The new Dodd-Frank financial law says "major swap participants" should face margin and capital requirements, meaning their ability to place bets with borrowed money on things like foreign currencies or interest rates would be limited."

Washington Post: "Foreclosure mess prompts growing number of public officials to slow down process ... Frustrated by the banks' response to the foreclosure mess, a growing number of public officials - including chief judges, attorneys general and sheriffs from jurisdictions big and small - are pushing the boundaries of their powers to slow down foreclosures in their areas. The new challenges are throwing a wrench into the plans of mortgage companies, which in recent weeks have tried to put the robo-signing mess behind them by rapidly reviewing or fixing their paperwork and resuming foreclosures. Such challenges, experts say, are likely to further prolong a foreclosure process that already takes an average of 16 months to complete - helping homeowners facing eviction but hurting the still-fragile housing market."

regulations of the Dodd-Frank financial overhaul, one little-noticed provision has executives scratching their heads. The statute, included in Section 342 of the bill, creates 20 Offices of Minority and Women Inclusion at the various regulatory agencies, including the Treasury, the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the 12 Federal Reserve banks and the newly created Consumer Financial Protection Bureau."

New York Times: "Fed Efforts to Revive Economy Find Critics ... Overseas, there is a widespread belief that the purpose of QE2, for the second round of quantitative easing, must be to depress the dollar and thus give the United States an unfair trade advantage. "It's inconsistent," thundered the German finance minister, Wolfgang Schäuble, in an interview with Der Spiegel, "for the Americans to accuse the Chinese of manipulating exchange rates and then to artificially depress the dollar exchange rate by printing money."

CNBC.com: "G20 Closes Ranks but Skims Over Toughest Tasks ... G20 leaders closed ranks on Friday and agreed to a watered-down commitment to watch out for dangerous imbalances, yet offered investors little proof that the world was any safer from economic catastrophe."

The Hill: "Bernanke's relationship with GOP deteriorating over Fed decisions ... The Federal Reserve's decision to pump \$600 billion into the economy has further politicized the central bank and brought it into conflict with resurgent House Republicans."